Before the
Federal Communications Commission
Washington, D.C. 20554

Petition of AT&T Services, Inc., for Forbearance Under 47 U.S.C. §160(c) from Enforcement of Certain Rules for Switched Access Services and Toll Free Database Dip Charges	)))))	**WC Docket No. 16-363**

REPLY COMMENT OF SOUTH DAKOTA NETWORK, LLC

South Dakota Network, LLC (SDN), by its attorneys, hereby replies to various comments submitted on the Petition for Forbearance (Petition) filed by AT&T Services, Inc. (AT&T) in the above captioned proceeding. The comments show that while AT&T has identified a limited issue with respect to transport costs and certain carriers engaged in access stimulation, AT&T's proposed forbearance is too broad and more targeted actions are available to address the issues identified. Accordingly, AT&T's Petition should be denied.

In its Petition, AT&T asks the Commission to "forbear from the tariffing of access charges for tandem switching and tandem-switched transport for all LECs, including intermediate LECs, on all calls to or from LECs engaged in access stimulation."[1] As shown in SDN's comments, however, AT&T's statements and evidence in support of its Petition are based on alleged excessive transport costs due to mileage charges. Thus, AT&T asserts that LECs engaged in access stimulation are able to obtain "excess" revenue because they refuse to directly interconnect with IXCs and, instead, they route traffic through a tandem to increase mileage charges. Similarly, in comments supporting AT&T's Petition, Verizon

[1] AT&T Petition at 3.

argues that traffic pumpers in Iowa and South Dakota "are generating huge traffic volumes"[2] because "tariffed tandem switched-transport rates are disproportionately high"[3] and "local exchange carriers there force interexchange carriers to deliver traffic through Centralized Equal Access providers like Iowa Network Services and South Dakota Network."[4] The Inteliquent Joint Commenters also support forbearance to end the practice of billing excessive transport mileage.[5]

As shown by SDN in its comments, the arguments made by AT&T in its Petition, as well as the argument made by Verizon and the Inteliquent Joint Commenters, do not apply to SDN because SDN is not engaged in the business of access stimulation; SDN has not taken any action "to increase traffic volumes" as a result of access stimulation; and SDN does not assess “unreasonable” or “excessive” transport charges and, in fact, does not assess any tariffed transport charges for traffic to any access stimulator. Thus, AT&T has made no showing that would support forbearance with respect to SDN. The comments of Verizon and the Inteliquent Joint Commenters do not rectify this shortcoming.

In addition, the comments of SDN and others[6] show that AT&T's request is not in the public interest. Grant of AT&T's Petition will expose SDN and other tandem providers to rendering service for free. If AT&T's request is granted, LECs engaged in access stimulation still will be able to dictate the routing of traffic through the SDN tandem, however, SDN will not be able to charge its tariffed rate for the service provided. Rather, it will have to

[2] Comments of Verizon (Verizon Comments) at 2.
[3] Verizon Comments at 2.
[4] Verizon Comments at 2-3
[5] Inteliquent, Inc., Bandwidth.com, Inc. and Onvoy, LLC (Inteliquent Joint Commenters) at 6.
[6] See, also, Inteliquent Joint Commenters at 6; and CenturyLink Opposition/Comments to AT&T Forbearance Petition (CenturyLink Comments) at 5.

negotiate an agreement with all IXCs that may be involved, if it can. Grant of AT&T's Petition also would force tandem providers to incur additional cost. According to CenturyLink, "current industry standard system and processes for tandem switching and transport facilities do not have the capability of identifying and carving out for special treatment traffic that is bound for CLECs engaged in access stimulation." [7]

On the contrary, it is in the public interest to maintain a tariff option for this traffic. Not only is the tariff mechanism an efficient and effective way for SDN to assess charges for services provided, some IXCs, such as those that do not exchange high volumes of stimulated traffic through the SDN tandem, also may prefer it as a way to avoid the costly and burdensome process of negotiating an individual contract. To the extent some IXCs do not exchange high volumes of stimulated traffic, a tariff option may be the most cost effective choice for their lower volumes of stimulated traffic.

Moreover, the comments show that a more targeted action by the Commission would address the alleged issue. AT&T and CenturyLink argue that LEC access stimulators are able to obtain excessive mileage charges because they refuse to interconnect with IXCs. In its comments, SDN urged the Commission to address such concerns by making it clear that CLECs engaged in access stimulation cannot refuse to interconnect with IXCs at points distant from the centralized equal access tandem when IXCs make such a request. This limited action would address not only the issues identified by AT&T and CenturyLink, but also Verizon.[8] It also is a better alternative than the proposal of the Inteliquent Joint

[7] CenturyLink Comments at 5.
[8] Verizon alleges that "[t]raffic pumping associated with tandem switched transport is particularly prevalent in Iowa and South Dakota" because "local exchange carriers there force interexchange carriers to deliver traffic through Centralized Equal Access providers like Iowa Network Services and South Dakota Network" (Verizon Comments at 2-3) and

Commenters, urging the Commission to set a limit on the mileage LECs can charge, including a limit of one mile, which would be arbitrary.[9]

Verizon also suggests that the Commission should apply its traffic pumping rules to CEA providers.[10] It must be noted that SDN is not engaged in access stimulation. However, CLECs engaged in access stimulation have routed traffic through the SDN tandem, in which case, the IXC has been billed for high volumes of traffic at SDN's tariffed rate. SDN was created to aggregate the low volumes of traditional access traffic between IXCs and South Dakota independent local exchange carriers. The level of IXC traffic to and from most of the ILECs and CLECs that are listed in SDN's tariff as Routing Exchange Carriers remains at low levels and the current tariff provisions and rates in these circumstances continue to provide an efficient option for IXCs. However, in the circumstance of access stimulation, this may not be an efficient option for IXCs.

SDN's understanding of Verizon's proposal is that in the case of traffic that terminates to an access stimulator, SDN would be required to charge a switched access rate benchmarked to the rates of the price cap LEC with the lowest interstate switched access rates in the state. However, for traffic terminating to LECs that are not engaged in access stimulation, SDN would continue to charge its traditional tariffed switched access rate.

SDN would not oppose such a proposal. In SDN's view, the Verizon proposal as interpreted by SDN herein, would preserve the benefits of CEA for the LECs and IXCs exchanging low volumes of traffic, while providing relief from large charges for switching

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suggests that the Commission could eliminate the requirement to terminate traffic to CEA providers. However, as shown by SDN, CEA continues to provide many benefits for rural carriers and IXCs in South Dakota. The Commission should not disrupt these benefits when a more targeted solution is available.

[9] Inteliquent Joint Commenters at 6.

when high volumes of traffic due to traffic stimulation are exchanged. SDN believes this result would comply with the spirit of the Commission's access stimulation rules, while preserving the intent and benefits found by the Commission in establishing CEA providers.[11]

SDN also suggests that the Commission should reaffirm that intermediate carriers can provide service pursuant to contract in the case of access stimulation. This would allow IXCs with high volumes of traffic to an access stimulator to be able to negotiate a more reasonable rate.

Conclusion

As shown in SDN's comments and reply comments, AT&T's arguments in its Petition are not sufficient to support its general request for forbearance from the tariffing of access charges for tandem switching and tandem-switched transport for all LECs, including intermediate LECs, on all calls to or from LECs engaged in access stimulation and none of its arguments apply to SDN, in particular. In addition, rather than the forbearance requested by AT&T, there are actions that the Commission can take to directly address the alleged

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[10] Verizon Comments at 5.

[11] SDN opposes CenturyLink's request that the Commission "clarify that all tandem provider rates are subject to the CLEC benchmark rule." CenturyLink Comments at 2. CenturyLink's position simply is wrong. When the Commission granted SDN authority to operate as a CEA provider, it specified that SDN must file its tariffed rate pursuant to Section 61.38 of the Commission's rules. This has never been changed.

harmful actions of LECs engaged in access stimulation. Accordingly, AT&T's request for forbearance must be denied.

Respectfully submitted,

SOUTH DAKOTA NETWORK, LLC

By: /s/ Mary J. Sisak
Benjamin H. Dickens, Jr.
Mary J. Sisak
Blooston, Mordkofsky, Dickens
Duffy & Prendergast, LLP
2120 L Street, NW, Suite 300
Washington, DC 20037
(202) 659-0830

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